

UNIFORM STATE REPORT/ANNUAL REPORT

INTRODUCTION

The purpose of the uniform state report is to provide a detailed summary of information for all operations conducted by the legal entity required to file in accordance with Tennessee Code Annotated 45-18-109 of the Check Cashing Act, or imposed by the regulating authority administering the Act.

The reporting entity must follow all instructions explicitly. If a company or affiliate operates more than one licensed office, the report must be filed on a composite basis. When preparing the report, do not underline or change captions. Report all amounts in even dollars. Where insufficient space is provided to set forth the facts adequately, annex a schedule giving the details.

The following schedule letters, captions and item numbers correspond with those shown in the report.

REPORTING ENTITY

SCHEDULE B

Statement of Income and Expenses

The purpose of this schedule is to show all income derived or produced by the reporting entity during the period covered by the report.

- (1) Charges Collected and/or Earned - This account must report all check cashing fees.
- (2) Other Income - This account must itemize all other revenue earned or collected by the reporting entity not derived from receivables.
- (3) Total Operation Income - The sum of Items 1 and 2.
- (4) Advertising - This account must show the amount incurred by the reporting entity during the year for promoting or retaining the business of the reporting entity. Show only the amount for purchases of advertising supplies or outside services.
- (5) Auditing - This account must show the amount incurred by the reporting entity during the year for accounting and auditing services.
- (6) Bad Debts - This account must show the reporting entity's bad debts actually written off or accrued during the year.
 - (a) Charge Offs - This line must show the bad debt expense for reporting entities using a direct charge-off method.

- (b) Deduct: Collections on Accounts Previously Charged-Off - This account must show the total of amounts (principal and other fees) received by the licensee during the year which were previously written off as bad debt.
- (c) Additions to Reserve for Bad Debts - This account must show the addition to reserve for reporting entities using the reserve method.
- (7) Depreciation and Amortization - This account must show the amount of depreciation expense for fixed assets and other depreciable assets, such as debt expenses, organization expense, etc.
- (8) Insurance & Fidelity Bonds - This account must show the amount expended by the reporting entity during the year for all insurance and bonding of employees.
- (9) Legal Fees & Disbursements - This account must show the amount expended by the reporting entity during the year for the legal fees and disbursements related to the activities of outside counsel. Do not include recording and notary fees.
- (10) Postage, Printing, Stationery and Supplies - Self-explanatory.
- (11) Rent, Janitorial Services and Utilities - This account must show the total amount paid by the reporting entity during the year for the rental of buildings, office equipment, etc., janitorial services and utilities, including heat, light, water, sewer, etc. Expenses for janitorial services must be included here if they are not performed by an employee. If they are performed by an employee, include in Item 13.
- (12) Salaries of Officers, Owners and Partners - This item must include all salaries, bonuses, pensions paid during the year.
- (13) Salaries of All Other Employees - This item must include all salaries, bonuses, wages, pensions paid during the year.
- (14) Taxes Other Than on Income - This item must include all property taxes, and any other taxes which are not shown separately.
- (15) Licensee Fees - This account must show the amount incurred by the licensee during the year for license fees paid to city, county, state and federal governments.
- (16) Telephone / Fax - Self-Explanatory.
- (17) Travel, Auto Expense and Allowance - This account must show the amount incurred by the licensee during the year for business travel and travel related activities. The amount must include but is not limited to either direct payment or employee reimbursements of air, taxi, bus, train, auto rental and leasing fees; lodging and meals, travel insurance; use of employee vehicles and gasoline, registration and other fees, insurance and repairs associated with the vehicles owned by the reporting entity.
- (18) Supervision and Administration - This account must show the total amount of the expenses of an

affiliated company during the year directly assigned and/or allocated to the reporting when not allocated to other items.

- (19) Other Expenses - This account must list all other expenses incurred by the reporting entity not otherwise shown.
- (20) Interest Paid on Borrowed Funds - Represents total interest expense on all debt obligations during the year.
- (21) Total Expenses Before Income Taxes - Sum of Items 4 through 20.
- (22) Income Before Income Taxes - Item 3 less Item 21.
- (23) Income Taxes - This item must show the amount of state and federal income taxes paid or accrued for the year.
- (24) Total Expenses - Item 21 plus Item 23.
- (25) Net Income - Item 3 less Item 24.

SCHEDULE C

Balance Sheet

The purpose of this schedule is to show the financial position of the reporting entity for the period covered by this report.

- (1) Cash - This account must include all business cash on hand.
- (2) Cash in Bank - This account must include all cash deposits in banks, ie. checking accounts savings accounts, certificates of deposits, etc.
- (3) Other Cash - This account must include cash maintained in other institutions, ie., credit unions, savings & loan, etc.
- (4) Accounts Receivable - This account must reflect the balance due from customers.
- (5) Securities - This account must report the amount of investments in securities, such as stocks, bonds and notes receivable.
- (6) Government Obligations - This account must show the amount of investments in federal, state and municipal bonds and other government securities.
- (7) Life Insurance on Officers, Stockholders, Business Owners - This account must report the cash surrender value of life insurance policies carried by the reporting entity.
- (8) Prepaid Expenses - This account must show the payment of expenses in advance.
- (9) Total Current Assets - The sum of Item 1 through Item 8.
- (10) Furniture, Fixtures & Equipment - This account must report the cost of tangible assets, such as furniture, computers, office equipment, signs and other fixtures less accumulated depreciation used in the business by the reporting entity.
- (11) Buildings - This account must show the cost of the building(s) less accumulated depreciation owned by the reporting entity.
- (12) Land - This account must show the value of the land owned by the reporting entity.
- (13) Leasehold Improvement - This account must show the cost of improvements to leased property, such as buildings, walkways, landscaping, etc., less accumulated depreciation.
- (14) Total Fixed Assets - The sum of Items 10 through Items 13.
- (15) Other Assets - This account must show the value of other assets owned by the reporting entity.

- (16) Total of Other Assets - The total of other assets owned by the reporting entity.
- (17) Total Assets - The sum of Items 9, 14 and 16.
- (18) Accounts Payable - This account must report the balance due to creditors on current accounts.
- (19) Accrued Payroll Costs - This account must report the amount of wages, salaries or other compensation due to employee(s) of the reporting entity.
- (20) Rent Payable - This account must report the rent or lease payments due in the current fiscal year.
- (21) Taxes Payable - This account must report the amount of all federal, state and city/county taxes due in the current fiscal year.
- (22) Mortgages, Bonds, Notes Payable - This account must report the current maturities, payable in less than 12 months, on long-term liabilities.
- (23) Other Current Liabilities - Self-explanatory.
- (24) Total Current Liabilities - Sum of item 18 through Item 23.
- (25) Mortgage, Bonds, Notes Payable - This account must report the amount of long-term obligations, payable in 12 months or more.
- (26) Other Long-Term Liabilities - This account must include other long-term liabilities, such as deferred taxes and other obligations that will not be paid out of current assets.
- (27) Total Long-Term Liabilities - The sum of Items 25 and 26.
- (28) Total Liabilities - The sum of Item 24 and Item 27.
- (29) Capital - This account must report the amount of capital of the proprietorship, partnership, and corporation. If a corporation, this account must also report the total number of common and preferred shares issued and outstanding, as well as the total par value.
- (30) Paid-in Surplus - If a corporation, this account must report the total amount received by the corporation in excess of the par value of the preferred and common stock outstanding.
- (31) Total Contributed Capital - The sum of Items 29 and 30.
- (32) (a) Retained Earnings - This account must show the reporting entity's accumulated earnings as of July 1, 2006.

(b) Net Income

- (c) Deduct Distributions - This account must report the amount of distributions to the proprietor, partners, LLC members, stockholders, etc.
- (d) Balance - The sum of items (a) and (b) less (c)
- (33) Total Net Worth - Net worth represents the residual financial interests in a business. It is the difference between total assets and total liabilities. For a sole proprietorship, it is called proprietorship equity; for a partnership, partners' equity; and for a corporation, stockholders equity.
- (34) Total Liabilities and Net Worth - The sum of Item 28 and 33.

SCHEDULE D

Analysis of Regulated Business Activity

- (1) Total Number of Checks Cashed From July 1, 2006 through June 30, 2007 - This item must report the total number of checks cashed by the reporting entity from July 1, 2006 through June 30, 2007.
- (2) Total Number of Checks Charged-Off From July 1, 2006 through June 30, 2007 - This item must report the total number of checks charged-off by the reporting entity as uncollectible from July 1, 2006 through June 30, 2007.
- (3) Distribution of Transactions - According to Tennessee Code Annotated 45-18-121, the fee a reporting entity may charge to cash a check falls under one of the following categories.
 - (a) 3% of the face of the check or \$2, whichever is greater, if the payment instrument is the payment of any kind of state public assistance or federal social security benefit;
 - (b) 10% of the face of the check or \$5, whichever is greater, if the payment instrument is a money order or personal check; or
 - (c) 5% of the face of the check or \$5, whichever is greater, for all other payment instruments.

This item must report the total number of checks cashed in each category according to the face amount of the check.

AFFIDAVIT

The affidavit must be executed, if a corporation, by a duly authorized officer of such corporation, or by a partner, if a partnership, or by the owner, or by an individual. In the case of illness or inability of such person to sign the affidavit, it may be executed in such case by a legal representative or agent. The affidavit should be made before a Notary Public or other person authorized to administer oaths.